

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6168**

**BILL NUMBER:** HB 1186

**NOTE PREPARED:** Feb 22, 2010

**BILL AMENDED:**

**SUBJECT:** Interlocal Agreements Concerning Courts.

**FIRST AUTHOR:** Rep. Saunders

**FIRST SPONSOR:** Sen. Bray

**BILL STATUS:** 2<sup>nd</sup> Reading - 2<sup>nd</sup> House

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill allows a city or town that has not established a city or town court or an ordinance violations bureau to enter into an interlocal agreement with a city, town, or other municipal corporation that has established: (1) a city or town court; or (2) an ordinance violations bureau; to hear and dispose of ordinance violations that would otherwise come under the jurisdiction of a city or town court or an ordinance violations bureau established by the city or town.

**Effective Date:** July 1, 2010.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** *Summary-* There could be a minimal increase in General Fund revenue. The state General Fund would receive \$38.50 in new court fee revenue for each new ordinance violations case enforced in city and town courts. The number of ordinance violations that are not being enforced is not known.

[LSA assumes that municipalities that are currently filing ordinance violations cases in Indiana's trial courts will not shift them to city or town courts. If cases are shifted from trial courts to city and town courts, the state General Fund would lose \$10.50 in court fees for each case. (See table below.)]

**Background** – City and town courts have limited jurisdiction in court matters. Infractions, ordinance violations, and misdemeanors are permitted to be filed in both types of courts. Town courts have no jurisdiction on civil matters. The civil jurisdiction of city courts is extremely limited. City courts have civil

jurisdiction over cases where the amount being contested is less than \$500, but not over cases involving slander, libel, real estate, and probate-related matters. The civil jurisdiction of city courts in Lake County is limited to \$3,000.

For each case shifted from a trial court to a city or town court, the state General Fund would lose \$10.50, depending on the type of case shifted. The following shows the share of court fees that the state receives for ordinance violations cases.

State General Fund Revenue Effect				
			<i>If new cases are enforced</i>	<i>If existing cases are shifted</i>
	Fee	Trial Courts (70%)	<i>City and Town Courts (55%)</i>	<i>Revenue Loss</i>
Infractions and Ordinance Violations	\$70	\$49	<b>\$38.50</b>	<b>(\$10.50)</b>

The *Indiana Judicial Report* shows that the number of ordinance violation cases disposed in city and town courts has grown at a faster rate than in Indiana's trial courts between 2004 and 2008.

Local Ordinance Violations Disposed in:						
	2004	2005	2006	2007	2008	pct. change
Trial Courts	54,054	51,111	63,950	60,481	56,435	0.9%
City and Town Courts	32,899	31,852	35,397	32,183	37,465	2.8%
	86,953	82,963	99,347	92,664	93,900	1.6%

### **Explanation of Local Expenditures:**

**Explanation of Local Revenues:** If new cases are enforced in city and town courts, local units would gain \$31.50 for each case added. If ordinance violations cases are shifted from trial courts to city and town courts, local units of government would gain \$10.50 per case.

Local Revenue Gain For Each Case Shifted From Trial Court To City or Town Court				
			<i>If new cases are enforced</i>	<i>If existing cases are shifted</i>
	Fee	Trial Courts (30%)	<i>City and Town Courts (45%)</i>	<i>Revenue Gain</i>
Infractions and Ordinance Violations	\$70.00	\$21.00	<b>\$31.50</b>	<b>\$10.50</b>

As of December 2008, 47 city and 28 town courts operated in 37 counties.

Counties With:		
Only City Courts	Only Town Courts	Both City and Town Courts
18	7	12

**State Agencies Affected:**

**Local Agencies Affected:** Cities and towns.

**Information Sources:** *2007 Indiana Judicial Report.*

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